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WORLD HOG AND PORK PROSPECTS

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THE WORLD SITUATION

European pork production continued upward during October, according to information available in the Bureau of Agricultural Economics. A seasonal increase in slaughter supplies occurred in the United States and hog prices both at home and abroad were generally lower. The sharp September advance in lard prices was well sustained during October both in Europe and the United States. World storage stocks of lard are at an unusually low level, but low prices of lard substitutes continues to be a depressing factor.

Receipts of Danish pork in the United Kingdom continued unusually heavy and pork prices in British markets were mostly lower than in September. American pork did not share in the decline largely as a result of a sharp curtailment in receipts. Hog marketings in Germany continued large and prices are now close to pre-war levels. Increased hog numbers in the Netherlands has not as yet been reflected in export trade. Feed prices declined at home and abroad during October, but hog-feed ratios were still below the October average of recent years.

The pork marketing year 1929-30 closed on September 30 with most of the supply, demand and price factors having moved along anticipated lines in both the United States and Europe. The smaller total United States slaughter suggested early in the season was realized, the number of hogs killed being about 7 per cent below the 1928-29 total. In spite of the reduced offerings, however, American hog prices averaged lower than in

1928-29, as a result of weaker domestic and foreign demand for American pork products.

Total United States exports of hams and shoulders, excluding Cumberland and Wiltshire sides, ran about 5.6 per cent below the 1928-29 total. The bulk of the reduction occurred in exports to countries other than Great Britain, and largely in bacon, the latter country having maintained its takings of American hams. The export movement in lard, excluding neutral lard, was relatively smaller than that of cured pork. Particularly sharp declines occurred in lard exports to Germany. Lard prices in all markets averaged lower for the season than in 1928-29.

Expanding domestic supplies and reduced buying power were leading factors in the less favorable German market. Relatively cheap supplies of vegetable oils appeared to be an increasingly important competitive factor in all European lard markets, notably Germany. Unusually heavy Danish supplies of cured pork were an important influence for lower prices in the British market for American cured pork.

United States

A seasonal increase in slaughter supplies of hogs in the United States during October was accompanied by lower prices for hogs and for most cuts of fresh and cured pork. Hog prices at Chicago, after declining to an average of $8.96 for the first week of the month, advanced during the second week and then declined during the remainder of the month, making a monthly average of $9.34 as compared with $9.76 for September and $9.38 for October 1929. The price spread in favor of heavy hogs continued to widen and the average live weight at Chicago was 227 pounds, the smallest for the month since 1917, and 17 pounds less than that of September. Federally inspected slaughter amounting to 3,492,000 head was 26 per cent larger than that of September but 9.5 per cent smaller than the inspected killings of October 1929.

Corn prices declined during October. No. 3 yellow at Chicago averaged 82 cents as against 94 in September and 94.5 in October 1929. A relatively greater decline in corn prices than in hog prices resulted in an advance in the corn-hog ratio. In the north central States, the ratio, based on 15th-of-the-month farm prices, averaged 11.7 as compared with 11.1 in September, 10.3 for October 1929, and 12.6 for the 8 year (1922-1929) average.

Lard prices at Chicago, after advancing $3.75 per hundred pounds from July to September, declined only moderately during October, making an average of $13.94 as compared with $14.25 for September and $13.17 for October 1929. Exports of lard (excluding neutral lard) during September were 24 per cent smaller than in August and 36 per cent under those of September 1929. The total export movement for the marketing year ended September 30, 1930 was 8 per cent less than that of the 1928-1929 marketing year. Storage stocks of lard on October 1, amounting to 60 million pounds were 61 per cent smaller than those of October 1, 1929 and the smallest October 1 stocks on record.

Wholesale prices for most cuts of fresh pork averaged lower during October. Heavy loin prices advanced, however, which was largely a reflection of the smaller-than-usual proportion of heavy hogs in the market supply during the last two months. 8 to 10 pound loin prices at Chicago averaged $23.48 for the month as against $26.05 in September and $25.56 in October 1929, while 16-22 pound loins averaged $17.88 as against $16.72 in September and $19.12 a year earlier.

Wholesale prices of cured hams were generally lower. 12-14 pound No. 2 regular hams at Chicago averaged $23.10 as compared with $25.00 in September and $24.10 in October 1929. Bacon prices continued to advance and averaged considerably higher than a year earlier. No. 1 dry cure bacon 8-10 pounds at Chicago averaged $32.40 as against $31.38 in September and $29.69 in October 1929. Prices of smoked picnics made little change as compared to September levels. Dry salt backs averaged $1.00 higher than in September and about 50 cents higher than in October of last year.

The export movement of fresh and cured pork during September was 32 per cent smaller than that of August and 40 per cent under that of a year earlier. Total bacon exports of 4,973,000 pounds were 28 per cent less than those of August and 52 per cent under September 1929 exports. Takings by United Kingdom were only about half those for August and purchases by Cuba were reduced 11 per cent. Purchases by Germany continued at the relatively low level of recent months and were only about one-fifth as large as those of September of last year. Exports of hams and shoulders in September were 41 per cent smaller than in August and 24 per cent under those of September 1929. Takings by Canada and Cuba were materially larger than in August, but these were much more than offset by the 52 per cent reduction in takings by United Kingdom. Bacon exports for the marketing year ended September 30, were 15 per cent under those of the 1928-29 marketing year, even though the movement was considerably larger during the first half of the year than during the same period a year earlier. Exports of hams and shoulders for the marketing year were about 4 per cent larger than during the year 1928-29. Storage stocks of pork on October 1, amounting to 448 million pounds were 25.5 per cent smaller than those on October 1, 1929 and 17.3 per cent smaller than the 5-year October 1, average.

United Kingdom

The heavy output of Danish pork brought the Liverpool average for Wiltshire sides during October down to $17.25 per 100 pounds, according to Agricultural Commissioner Foley at London. The 1930-31 season, therefore, opened with Liverpool prices for Danish products lower than at any time since the pre-war period. American green bellies averaged $19.88 for October, a point slightly below the September average, but about 90 cents above the

average for October 1929. Sharply reduced supplies of American bacon in British markets were largely responsible for the higher values of September and October, and the advance over last year's values. The same forces were important in sustaining the price of American short cut green hams during the season ended September 30, last. The October, 1930, average of $20.80 per 100 pounds, however, was the low point for the 1929-31 season and the lowest for any month since May, 1928. Canadian green sides also ended the 1929-30 season on a relatively low level, and well under a year ago. There were no quotations on that description during October.

Total bacon imports into the United Kingdom for the year ended September 30 were 5.6 per cent larger than in the preceding year and slightly below the record imports of 1927-28. Receipts from Denmark during the season just closed, however, reached the record total of 621,112,000 pounds. For the last five months of the year, receipts ran over 54,000,000 pounds monthly, nearly reaching 60,000,000 pounds for September, a record for any one month. Receipts from the United States were down 9 per cent below a year ago. The current total of little more than 60,000,000 pounds is the smallest import of American bacon registered in recent years. Total imports from the Irish Free State were 29 per cent below 1928-29 figures and receipts from Canada and the Netherlands were down 34.7 per cent and 21.6 per cent respectively. Receipts from Continental sources other than Denmark and Netherlands showed some tendency to increase, but they were not great enough to offset the declines in all important countries other than Denmark. Liverpool stocks of cured pork on October 1, 1930, were unusually low.

The stronger tone in the Liverpool lard market as the 1929-30 season closed continued into October, with the average for the month up slightly at $13.33 per 100 pounds. With the exception of last year, however, the current average was the lowest of any October for the past six years. In lard as well as in cured pork, October 1 stocks were unusually small. The reduced rate of imports, largely from the United States, resulted in September receipts totaling slightly less than 13,000,000 pounds, the smallest for any month since November 1926 and 23.5 per cent under a year ago. Relatively heavy imports during most months of the 1929-30 season, however, resulted in the total for the year ended September 30, 1930, being only slightly smaller than those of the two preceding years, and larger than in 1924-25 and 1925-26. During most of the post-war period, United Kingdom imports of lard have run considerably heavier than in the pre-war period.

The somewhat seasonal increase in domestic British pork supplies noted in September was continued into October. In the latter month about 57,000 hogs were received at representative British markets, the largest number since January, 1930, but below receipts for October, 1929. The 1929-30 season ended with a total of such market receipts at a point 14.5 per cent under the 1928-29 total. London Central Market supplies of British and Irish fresh pork also increased seasonally in September and October, the figure for the latter month reaching 7,972,000 pounds.

The October receipts were larger than last year and above those of any month since January 1929. Total receipts for the year ended September 30, 1930, were 18.6 per cent below those of the preceding year. Indications are that in Great Britain and Ireland hog producers continue to get relatively higher returns in the fresh pork market than in bacon. There was an increase over September in the October purchases of hogs by Irish bacon curers, but the figures continue to run behind those of last year.

Denmark and Netherlands

The increasing bacon exports from Denmark during recent months brought the September movement up to the record figure of 58,327,000 pounds, according to preliminary returns. In 1927-28, the former season of record production, the heaviest total bacon export for any one month was 56,405,000 pounds in December 1927. The 1929-30 season's total also registered a record at more than 614,000,000 pounds. Beginning with last May, exports each month have run no lower than 51,000,000 pounds. Recent returns from the Netherlands indicate total hog numbers for midsummer, 1930, at 1,990,000. That figure indicates an increase in total hogs since 1921 of 31 per cent. Hog fattening is reported as still fairly profitable in the Netherlands where pigs are fattened where raised and are not bought for feeding. So far the additional Netherlands interest in hog raising has not been reflected in increased British receipts of bacon from the Netherlands. The September receipts were only moderate, although larger than a year ago, and total receipts for the year ended September 30 were 21.6 per cent below the 1928-29 total.

Germany

The current decline in German hog prices brought the Berlin average for heavy hogs during October down to $12.41 per 100 pounds, according to Agricultural Commissioner Steere at Berlin. The current average is more than $6.00 under last year's level and only 14 cents higher than the pre-war average for October. The September 1930, average of $13.08 was unusually low for that month and indicated a decline of about 33 per cent below September 1929 levels. Feed potato prices at Breslau dropped sharply in September as a heavy crop became apparent, but the average for the month was only 11 per cent lower than a year ago. September barley prices at Leipzig were slightly easier during September, but the average of $2.00 per 100 pounds was about the same as last year's average for that month. There are indications that in Germany hog-feed price relationships may become increasingly unfavorable during the next few months, as a result of hog prices making relatively greater declines than feed prices.

It appears that hog receipts at 14 German cities for October were not quite as heavy as in September. The total of 334,000 hogs for that month was not only seasonally larger, but the largest of any September of the past 6 years. Total receipts for the year ended September 30, 1930, however, were 2.4 per cent under those of the preceding year. Hog slaughter at 36 points in Germany also was unusually heavy for September, reaching 427,000 head. The slaughter figures were the largest since

October 1928. Indications are for a continued heavy rate of slaughter in Germany, but the 1929-30 season closed on September 30, last, with total killings for the season 4 per cent under those of a year earlier. The tendency toward increased domestic pork production has been discouraging imports since last June, with preliminary returns for September showing an import of only 992,000 pounds of bacon, largely from the Netherlands. Total bacon imports for the year ended September 30, however, were the largest since 1925-26 and 54.5 per cent larger than in 1928-29.

The recent stronger tendency in the German lard market accompanying reduced imports kept the Hamburg lard market steady during October at the September average level of $13.88 per 100 pounds, an advance of about 53 cents over the October 1929 level. Vegetable oils continue to offer keen competition to lard in the German market. Latest quotations available indicate an average wholesale price for coconut oil in Hamburg about 60 per cent under that of refined lard. The reduced lard imports in evidence since last May, largely from the United States, were carried into September when less than 15,000,000 pounds were imported. Imports during that month were unusually low for September and the smallest since December 1927. In spite of the smaller imports of recent months, however, total figures for the year ended September 30, 1930, were slightly larger than were imports for the preceding year. Lard imports for the past three seasons, however, have been below those of the three preceding years, and about the same as in the pre-war period.

Other countries

September was a dull month in the Belgian market for American pork products, according to Consul W. S. Reineck at Antwerp. There were very few new commitments. Holders of lard profited by the advance in price over the August levels, and there was some increase in the receipts of Dutch pure lard. In cured pork, all imports were discouraged by good supplies of favorably priced Belgian products. In Argentina, hog numbers as of July 1, 1930, are placed at 3,764,000 against 1,437,000 in 1922 and 2,901,000 in 1914. The largest increase was in the province of Buenos Aires. Pork production in freezing and chilling plants were 12 per cent below a year ago during the first eight months of 1930, but 28 per cent larger than in 1928. Since 1926 Argentina has been a contributor to the British fresh and frozen pork market. London Central Market returns indicate that total receipts of such pork from outside Great Britain and Ireland have been below a year ago during most of 1930. The principal overseas sources are New Zealand and the United States.

HOGS AND PORK PRODUCTS: Indices of foreign supplies and demand

Country and item	Unit	October - September					
		1909-10 to 1913-14 average	1924-25 to 1928-29 average	1926-27	1927-28	1928-29	1929-30
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	593	604	554	644	680	581
Supplies, domestic fresh pork, London	1000 pounds		54,639	60,288	79,996	74,744	61,109
Imports -							
Bacon -							
Denmark	"	246,250	502,406	530,234	609,792	552,272	621,112
Irish F.State	"		54,347	45,535	58,668	61,670	43,702
United States	"	184,037	104,767	83,790	64,558	66,135	60,383
Canada	"	42,948	76,357	64,792	39,771	23,234	15,136
Others	"	43,800	164,341	206,660	224,790	229,782	227,102
Total	"	517,035	902,218	931,011	997,179	933,093	967,435
Ham, total	"	96,675	127,520	106,633	107,289	110,257	116,558
Lard, total	"	210,237	267,076	255,638	277,756	277,688	275,847
DENMARK:							
Exports -							
Bacon	"		500,948	536,166	600,998	546,531	614,429
CANADA:							
Slaughter -							
Hogs, inspected	1000's	1,687	2,563	2,563	2,587	2,361	2,153
GERMANY:							
Production -							
Hog receipts 14 cities	"		3,215	3,332	4,180	3,465	3,379
Hog slaughter 36 centers	"	4,430	4,009	3,954	5,183	4,563	4,376
Imports -	1000						
Bacon, total	pounds	2,728	16,898	14,849	8,289	10,982	16,904
Lard, total	"	198,843	217,286	226,428	191,713	201,015	203,177
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	31,644	46,066	43,090	47,370	48,957	45,542
Exports -							
Bacon -	1000						
United Kingdom	pounds	130,737	64,747	51,758	43,007	47,484	48,191
Germany	"	1,497	11,278	7,763	8,740	8,040	6,120
Cuba	"	8,138	20,386	21,864	18,664	15,720	15,987
Total	"	181,314	140,742	112,398	119,615	128,357	109,092
Hams, shoulders							
United Kingdom	"	140,392	140,761	113,273	105,949	95,936	100,723
Total	"	163,966	167,766	134,330	128,156	120,531	125,107
Lard -							
United Kingdom	"	169,138	225,342	208,368	231,084	234,787	238,052
Germany	"	137,720	192,304	183,136	164,022	201,672	163,738
Cuba	"	38,426	80,361	79,327	82,079	82,220	75,332
Netherlands	"	36,408	40,429	41,994	33,060	43,579	43,174

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HOGS AND PORK PRODUCTS: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	September 1909-1913 average	September 1925-1929 average	September 1929	August 1930	September 1930
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	8.15	11.36	9.89	9.58	9.76
Corn, Chicago, No. 3 yellow	1.23	1.67	1.80	1.77	1.68
Hogs, heavy, Berlin, live weight	12.37	17.42	18.60	14.05	13.08
Potatoes, Breslau feeding	.33	.46	.36	.60	.32
Barley, Leipzig	1.73	2.16	2.00	2.02	2.00
Lard -					
Chicago	11.24	15.95	13.81	12.44	14.25
Liverpool	12.50	15.59	13.38	12.61	13.17
Hamburg	31.14	16.33	13.97	12.72	13.88
Cured pork -					
Liverpool -					
American short cut green hams	14.50	26.03	23.81	22.27	21.12
American green bellies		23.17	18.83	18.36	20.10
Danish Wiltshire sides	16.70	26.08	24.33	a/ 20.43	19.44
Canadian green sides	15.69	b/ 24.70	c/ 24.01	20.05	19.56
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		4,970	5,662	4,738	3,594
Lard, refined		9,566	11,063	3,158	952
United States -					
Processed pork d/		541,216	600,498	550,959	447,573
Lard in cold storage		115,188	153,690	88,868	59,530

a/ One week only. b/ Three-year average only. c/ Two weeks only.
d/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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